

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

E

W-02273A
Ehrenberg Water Co.
P. O. Box 50
Ehrenberg AZ 853340000

RECEIVED

APR 13 2005

AZ Corporation Commission
Director Of Utilities

ANNUAL REPORT

FOR YEAR ENDING

| | | |
|-----------|-----------|-------------|
| 12 | 31 | 2004 |
|-----------|-----------|-------------|

FOR COMMISSION USE

| | |
|--------------|-----------|
| ANN04 | 04 |
|--------------|-----------|

COMPANY INFORMATION

| | | | |
|---|--|------------------------------------|--|
| Company Name (Business Name) <u>Ehrenberg Improvement Association</u> | | | |
| Mailing Address <u>P.O. Box 315</u> | | | |
| <u>Ehrenberg</u> (City) | <u>AZ</u> (State) | <u>85334</u> (Zip) | |
| <u>(928) 923-9388</u> Telephone No. (Include Area Code) | <u>(928) 923-9389</u> Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) | |
| Email Address _____ | | | |
| Local Office Mailing Address <u>same as above</u> | | | |
| (Street) | | | |
| (City) | | | |
| (State) | | | |
| (Zip) | | | |
| Local Office Telephone No. (Include Area Code) | | | |
| Fax No. (Include Area Code) | | | |
| Pager/Cell No. (Include Area Code) | | | |
| Email Address _____ | | | |

MANAGEMENT INFORMATION

| | | | |
|--|--|------------------------------------|-----------------------|
| Management Contact: _____ | | | |
| (Name) | | (Title) | |
| _____ | | | |
| (Street) | (City) | (State) | (Zip) |
| _____ | | | |
| Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) | |
| Email Address _____ | | | |
| On Site Manager: <u>Joseph D. Leach</u> | | | |
| (Name) | | | |
| <u>P.O. Box 315</u> (Street) | <u>Ehrenberg</u> (City) | <u>AZ</u> (State) | <u>85334</u> (Zip) |
| <u>(928) 923-9388</u> Telephone No. (Include Area Code) | <u>(928) 923-9389</u> Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) | |
| Email Address _____ | | | |

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Joseph D. Leach
(Name)

P.O. Box 315 Ehrenberg AZ 85334
(Street) (City) (State) (Zip)

(928) 923-9388 (928) 923-9389
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: Robbins & Green, P.A.
(Name)

3300 North Central Avenue Suite 1800, Phoenix, AZ 85012
(Street) (City) (State) (Zip)

(602) 248-7600 (602) 266-5369
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|--|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input checked="" type="checkbox"/> Other (Describe) <u>Non-profit corporation</u> | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|--|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input checked="" type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

Ehrenberg Improvement Association

UTILITY PLANT IN SERVICE

| Acct. No. | DESCRIPTION | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D. (OC less AD) |
|--------------|---|-----------------------|-------------------------------------|--------------------------|
| 301 | Organization | | | |
| 302 | Franchises | | | |
| 303 | Land and Land Rights | 4,800 | — | 4,800 |
| 304 | Structures and Improvements | 23,238 | 7,406 | 15,832 |
| 307 | Wells and Springs | | | |
| 311 | Pumping Equipment | 74,723 | 56,967 | 17,754 |
| 320 | Water Treatment Equipment | 16,015 | 16,016 | — |
| 330 | Distribution Reservoirs and Standpipes | 455,634 | 135,624 | 320,010 |
| 331 | Transmission and Distribution Mains | 1,047,913 | — 2 | 520,464 |
| 333 | Services | | | |
| 334 | Meters and Meter Installations | 85,834 | 3.33 | 43,190 |
| 335 | Hydrants | | | |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | | | |
| 340 | Office Furniture and Equipment | 3,920 | 1510 | 2,410 |
| 341 | Transportation Equipment | 63,380 | 18786 | 44,594 |
| 343 | Tools, Shop and Garage Equipment | 2,723 | 1,090 | 1,633 |
| 344 | Laboratory Equipment | 1,627 | 567 | 1,060 |
| 345 | Power Operated Equipment | | | |
| 346 | Communication Equipment | | | |
| 347 | Miscellaneous Equipment | | | |
| 348 | Other Tangible Plant | | | |
| | TOTALS | 1,779,827 | 808,081 | 971,746 |

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME *Ehrenberg Improvement Association*

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

| Acct. No. | DESCRIPTION | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|--------------|--|----------------------|-----------------------------------|----------------------------------|
| 301 | Organization | | | |
| 302 | Franchises | | | |
| 303 | Land and Land Rights | <i>4,800</i> | <i>-</i> | <i>0</i> |
| 304 | Structures and Improvements | <i>23,238</i> | <i>2</i> | <i>465</i> |
| 307 | Wells and Springs | | | |
| 311 | Pumping Equipment | <i>74,723</i> | <i>10</i> | <i>6,549</i> |
| 320 | Water Treatment Equipment | <i>16,015</i> | <i>20</i> | <i>0</i> |
| 330 | Distribution Reservoirs and Standpipes | <i>455,634</i> | <i>2</i> | <i>9,113</i> |
| 331 | Transmission and Distribution Mains | <i>1,047,913</i> | <i>2</i> | <i>20,958</i> |
| 333 | Services | | | |
| 334 | Meters and Meter Installations | <i>85,854</i> | <i>3.33</i> | <i>2,429</i> |
| 335 | Hydrants | | | |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | | | |
| 340 | Office Furniture and Equipment | <i>3,920</i> | <i>20</i> | <i>784</i> |
| 341 | Transportation Equipment | <i>63,380</i> | <i>20</i> | <i>12,676</i> |
| 343 | Tools, Shop and Garage Equipment | <i>2,723</i> | <i>20</i> | <i>545</i> |
| 344 | Laboratory Equipment | <i>1,627</i> | <i>20</i> | <i>325</i> |
| 345 | Power Operated Equipment | | | |
| 346 | Communication Equipment | | | |
| 347 | Miscellaneous Equipment | | | |
| 348 | Other Tangible Plant | | | |
| | TOTALS | <i>1,779,827</i> | | <i>53,844</i> |

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

COMPANY NAME Ehrenberg Improvement Association

BALANCE SHEET

| Acct No. | | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|-------------|---|------------------------------------|------------------------------|
| | ASSETS | | |
| | CURRENT AND ACCRUED ASSETS | | |
| 131 | Cash | \$ 26,284 | \$ 11,369 |
| 134 | Working Funds | | |
| 135 | Temporary Cash Investments | | |
| 141 | Customer Accounts Receivable | 29,006 | 18,287 |
| 146 | Notes/Receivables from Associated Companies | | |
| 151 | Plant Material and Supplies | 0 | 2,363 |
| 162 | Prepayments | | |
| 174 | Miscellaneous Current and Accrued Assets | | |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$ 55,290 | \$ 32,019 |
| | FIXED ASSETS | | |
| 101 | Utility Plant in Service | \$ 1,685,222 | \$ 1,779,827 |
| 103 | Property Held for Future Use | | |
| 105 | Construction Work in Progress | | |
| 108 | Accumulated Depreciation – Utility Plant | 754,237 | 808,081 |
| 121 | Non-Utility Property | | |
| 122 | Accumulated Depreciation – Non Utility | | |
| | TOTAL FIXED ASSETS | \$ 930,985 | \$ 971,746 |
| | TOTAL ASSETS | \$ 986,275 | \$ 1,003,765 |

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME Ehrenberg Improvement Association

BALANCE SHEET (CONTINUED)

| Acct. No. | | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|-----------|---|------------------------------|------------------------|
| | LIABILITIES | | |
| | CURRENT LIABILITIES | | |
| 231 | Accounts Payable | \$ 3,181 | \$ 13,251 |
| 232 | Notes Payable (Current Portion) | 21,409 | 54,500 |
| 234 | Notes/Accounts Payable to Associated Companies | | |
| 235 | Customer Deposits | 3,220 | 4,870 |
| 236 | Accrued Taxes | | |
| 237 | Accrued Interest | | |
| 241 | Miscellaneous Current and Accrued Liabilities | 2,590 | 5,332 |
| | TOTAL CURRENT LIABILITIES | \$ 30,400 | \$ 77,953 |
| | LONG-TERM DEBT (Over 12 Months) | | |
| 224 | Long-Term Notes and Bonds * | \$ 641,646 | \$ 726,921 |
| | DEFERRED CREDITS | | |
| 251 | Unamortized Premium on Debt | \$ | \$ |
| 252 | Advances in Aid of Construction | | |
| 255 | Accumulated Deferred Investment Tax Credits | | |
| 271 | Contributions in Aid of Construction | | |
| 272 | Less: Amortization of Contributions | | |
| 281 | Accumulated Deferred Income Tax | | |
| | TOTAL DEFERRED CREDITS | \$ -0- | \$ -0- |
| | TOTAL LIABILITIES | \$ 672,046 | \$ 804,874 |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock Issued | \$ | \$ |
| 211 | Paid in Capital in Excess of Par Value | | |
| 215 | Retained Earnings * | 314,229 | 198,891 |
| 218 | Proprietary Capital (Sole Props and Partnerships) | | |
| | TOTAL CAPITAL | \$ | \$ |
| | * Legal Fees | | |
| | TOTAL LIABILITIES AND CAPITAL | \$ 986,275 | \$ 1,003,765 |

COMPANY NAME *Ehrenberg Improvement Association*

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| Acct. No. | OPERATING REVENUES | PRIOR YEAR | CURRENT YEAR |
|-----------|---|------------|--------------|
| 461 | Metered Water Revenue | \$ 293,806 | \$ 306,034 |
| 460 | Unmetered Water Revenue | | |
| 474 | Other Water Revenues | | 9,382 |
| | TOTAL REVENUES | \$ 293,806 | \$ 315,416 |
| | | | |
| | OPERATING EXPENSES | | |
| 601 | Salaries and Wages | \$ 31,219 | \$ 67,941 |
| 610 | Purchased Water | | |
| 615 | Purchased Power | 9,587 | 17,383 |
| 618 | Chemicals | 10,589 | 16,856 |
| 620 | Repairs and Maintenance | 13,972 | 10,297 |
| 621 | Office Supplies and Expense | 8,682 | 3,915 |
| 630 | Outside Services | 1,216 | 8,648 |
| 635 | Water Testing | 13,271 | 14,316 |
| 641 | Rents | 3,875 | 5,213 |
| 650 | Transportation Expenses | 2,198 | 3,946 |
| 657 | Insurance – General Liability | 8,964 | 6,669 |
| 659 | Insurance - Health and Life | — | — |
| 666 | Regulatory Commission Expense – Rate Case | 545 | — |
| 675 | Miscellaneous Expense | 74,091 | 103,712 |
| 403 | Depreciation Expense | 47,904 | 53,844 |
| 408 | Taxes Other Than Income | 3,792 | 9,140 |
| 408.11 | Property Taxes | 13,905 | 14,460 |
| 409 | Income Tax | | |
| | TOTAL OPERATING EXPENSES | \$ 243,810 | \$ 336,337 |
| | | | |
| | OTHER INCOME/EXPENSE | | |
| 419 | Interest and Dividend Income | \$ 450 | \$ 69 |
| 421 | Non-Utility Income | | 2,393 |
| 426 | Miscellaneous Non-Utility Expenses | | |
| 427 | Interest Expense | 19,599 | 24,240 |
| | TOTAL OTHER INCOME/EXP | \$ 19,149 | \$ 21,778 |
| | | | |
| | NET INCOME/(LOSS) | \$ 30,847 | \$ <42,699> |

COMPANY NAME Ehrenberg Improvement Association

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

| | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|------------|-----------|-----------------|---------|
| Date Issued | 11/79 | 6/95 | 9/04 | |
| Source of Loan | USDA | USDA | GMAC | |
| ACC Decision No. | | | | |
| Reason for Loan | Construct | Construct | Truck | |
| Dollar Amount Issued | \$ 600,000 | \$ 92,100 | \$ 31,332 | \$ |
| Amount Outstanding | \$ 383,649 | \$ 80,267 | \$ 29,766 | \$ |
| Date of Maturity | 6/2018 | 3/2034 | 10/09 | |
| Interest Rate | 5.0 % | 4.5 % | 0 % | % |
| Current Year Interest | \$ 20,059 | \$ 3,642 | \$ 0 | \$ |
| Current Year Principle | \$ 18,371 | \$ 1,338 | \$ 1,566 | \$ |

Meter Deposit Balance at Test Year End

\$ 4,870

Meter Deposits Refunded During the Test Year

\$ 11

COMPANY NAME Ehrenberg Improvement Association

WATER COMPANY PLANT DESCRIPTION

WELLS

| ADWR ID Number* | Pump Horsepower | Pump Yield (gpm) | Casing Depth (Feet) | Casing Diameter (Inches) | Meter Size (inches) | Year Drilled |
|-----------------|-----------------|------------------|---------------------|--------------------------|---------------------|--------------|
| N/A | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

| Name or Description | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
|---------------------|----------------|--|
| River Pump | 600 | 171,927 |
| | | |

| BOOSTER PUMPS | | FIRE HYDRANTS | |
|---------------|----------|-------------------|----------------|
| Horsepower | Quantity | Quantity Standard | Quantity Other |
| None | | 63 | |
| | | | |
| | | | |
| | | | |

| STORAGE TANKS | | PRESSURE TANKS | |
|---------------|----------|----------------|----------|
| Capacity | Quantity | Capacity | Quantity |
| 600,000 | 2 | 30,000 | 1 |
| | | | |
| | | | |
| | | | |

COMPANY NAME Ehrenberg Improvement Association

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

| Size (in inches) | Material | Length (in feet) |
|------------------|----------|------------------|
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |
| 6 | AC | 7920 |
| 8 | | |
| 10 | | |
| 12 | AC | 267000 |
| | | |
| | | |
| | | |
| | | |
| | | |

CUSTOMER METERS

| Size (in inches) | Quantity |
|------------------|----------|
| 5/8 X 3/4 | |
| 3/4 | 192 |
| 1 | 53 |
| 1 1/2 | 11 |
| 2 | 13 |
| Comp. 3 | 6 |
| Turbo 3 | |
| Comp. 4 | 2 |
| Tubo 4 | |
| Comp. 6 | 2 |
| Tubo 6 | |
| Comp. 8 | 1 |
| | |

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

30 x 40 Steel Storage Building
6 x 5 Steel Water treatment Building
10 x 20 Office for recording equipment

OTHER:

COMPANY NAME: Ehrenberg Improvement Association

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004

| MONTH | NUMBER OF CUSTOMERS | GALLONS SOLD (Thousands) | GALLON PUMPED (Thousands) |
|-----------|---------------------|-----------------------------|------------------------------|
| JANUARY | 275 | 8,845 | 11,637 |
| FEBRUARY | 272 | 7,889 | 10,129 |
| MARCH | 270 | 11,687 | 13,706 |
| APRIL | 272 | 12,103 | 15,170 |
| MAY | 274 | 14,607 | 16,893 |
| JUNE | 277 | 17,091 | 18,107 |
| JULY | 275 | 15,808 | 19,637 |
| AUGUST | 286 | 15,000 | 17,193 |
| SEPTEMBER | 284 | 14,240 | 18,086 |
| OCTOBER | 289 | 18,409 | 13,952 |
| NOVEMBER | 288 | 7,400 | 8,816 |
| DECEMBER | 285 | 5,766 | 8,601 |
| TOTAL | | | 171,927 |

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes

☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes

☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. _____ mg/l

(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Ehrenberg Improvement Assoc YEAR ENDING 12/31/2004

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004 was: \$ 14,460.35

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

THE HENDERSON IMPROVEMENT ASSOCIATION
P.O. Box 1517
Wlythe, Ca. 92226

1007

117705582

10000011640

Chk# 1007, Amount \$116.40

THE HENDERSON IMPROVEMENT ASSOCIATION
P.O. Box 1517
Wlythe, Ca. 92226

1012

117705582

10000011640

Chk# 1012, Amount \$25.00

THE HENDERSON IMPROVEMENT ASSOCIATION
P.O. Box 1517
Wlythe, Ca. 92226

1013

117705582

10000045000

Chk# 1013, Amount \$450.00

THE HENDERSON IMPROVEMENT ASSOCIATION
P.O. Box 1517
Wlythe, Ca. 92226

1014

117705582

10000045000

Chk# 1014, Amount \$173.84

THE HENDERSON IMPROVEMENT ASSOCIATION
P.O. Box 1517
Wlythe, Ca. 92226

1015

117705582

10000022829

Chk# 1015, Amount \$228.29

THE HENDERSON IMPROVEMENT ASSOCIATION
P.O. Box 1517
Wlythe, Ca. 92226

1017

117705582

10000022829

Chk# 1017, Amount \$206.27

THE HENDERSON IMPROVEMENT ASSOCIATION
P.O. Box 1517
Wlythe, Ca. 92226

1018

117705582

10000071360

Chk# 1018, Amount \$7,136.01

THE HENDERSON IMPROVEMENT ASSOCIATION
P.O. Box 1517
Wlythe, Ca. 92226

1019

117705582

10000010000

Chk# 1019, Amount \$100.00

THE HENDERSON IMPROVEMENT ASSOCIATION
P.O. Box 1517
Wlythe, Ca. 92226

1020

117705582

10000013391

Chk# 1020, Amount \$133.91

THE HENDERSON IMPROVEMENT ASSOCIATION
P.O. Box 1517
Wlythe, Ca. 92226

1021

117705582

10000013391

Chk# 1021, Amount \$133.68

Account 117

THE ENVIRONMENTAL IMPROVEMENT ASSOCIATION
PO BOX 918
YUMA, AZ 85304
(908) 822-0222

1353

11/1/2004

\$ 117.50

PAY TO THE ORDER OF

STANLEY J. YOUNG

11/1/2004

11708882

0000018750

THE ENVIRONMENTAL IMPROVEMENT ASSOCIATION
PO BOX 918
YUMA, AZ 85304
(908) 822-0222

1354

11/1/2004

\$ 30.00

PAY TO THE ORDER OF

SUN STATE ENVIRONMENTAL

STANLEY J. YOUNG

11/1/2004

11708882

0000003000

Chk# 1354, Amount \$30.00

THE ENVIRONMENTAL IMPROVEMENT ASSOCIATION
PO BOX 918
YUMA, AZ 85304
(908) 822-0222

1355

11/1/2004

\$ 120.31

PAY TO THE ORDER OF

STANLEY J. YOUNG

11/1/2004

11708882

0000011011

THE ENVIRONMENTAL IMPROVEMENT ASSOCIATION
PO BOX 918
YUMA, AZ 85304
(908) 822-0222

1356

11/1/2004

\$ 7,324.34

PAY TO THE ORDER OF

LA PAZ COUNTY TREASURER

STANLEY J. YOUNG

11/1/2004

11708882

0000732434

Chk# 1356, Amount \$7,324.34

THE ENVIRONMENTAL IMPROVEMENT ASSOCIATION
PO BOX 918
YUMA, AZ 85304
(908) 822-0222

1357

11/1/2004

\$ 340.20

PAY TO THE ORDER OF

STANLEY J. YOUNG

11/1/2004

11708882

0000034050

THE ENVIRONMENTAL IMPROVEMENT ASSOCIATION
PO BOX 918
YUMA, AZ 85304
(908) 822-0222

1358

11/1/2004

\$ 516.00

PAY TO THE ORDER OF

Joseph D Lench

STANLEY J. YOUNG

11/1/2004

11708882

0000051600

COMPANY NAME Ehrenberg Improvement Assoc YEAR ENDING 12/31/2004

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported N/A
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported N/A
Estimated or Actual State Tax Liability 0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances N/A
Amount of Gross-Up Tax Collected
Total Grossed-Up Contributions/Advances

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

N/A
SIGNATURE DATE

PRINTED NAME TITLE

RECEIVED

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

APR 13 2005

AZ Corporation Commissioner
Director Of Utilities

VERIFICATION

STATE OF AZ

I, THE UNDERSIGNED

OF THE

| | |
|--------------------------------|--|
| COUNTY OF (COUNTY NAME) | <u>La Paz County</u> |
| NAME (OWNER OR OFFICIAL) TITLE | <u>Joseph D. Leach Water Manager</u> |
| COMPANY NAME | <u>Ehrenberg Improvement Association</u> |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| MONTH | DAY | YEAR |
|-------|-----|------|
| 12 | 31 | 2004 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 334,947

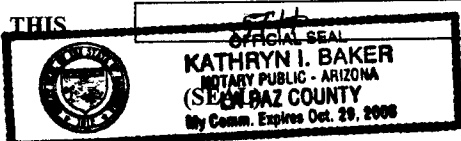
(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 19,531
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Joseph D. Leach
SIGNATURE OF OWNER OR OFFICIAL
928-923-9388
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 13 DAY OF APRIL


| | |
|-------------|--------------------------|
| COUNTY NAME | <u>LA PAZ</u> |
| MONTH | <u>APRIL</u> <u>2005</u> |

Kathryn I. Baker
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 10-29-2008

RECEIVED

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

APR 13 2005

AZ Corporation Commission
Director Of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

| | |
|---|----------------------------|
| COUNTY OF (COUNTY NAME) <u>La Paz County</u> | |
| NAME (OWNER OR OFFICIAL) <u>Joseph D. Leach</u> | TITLE <u>Water Manager</u> |
| COMPANY NAME <u>Ehrenberg Improvement Association</u> | |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2004 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

| |
|---|
| ARIZONA INTRASTATE GROSS OPERATING REVENUES |
| \$ <u>334,947</u> |

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 19,531
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Joseph D. Leach
SIGNATURE OF OWNER OR OFFICIAL
928-923-9388
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

5thDAY OF APR

| | |
|--|---------------------|
| NOTARY PUBLIC NAME <u>KATHRYN I BAKER</u> | |
| COUNTY NAME <u>LA PAZ</u> | |
| MONTH <u>APR</u> | YEAR <u>2005</u> |

(SEAL)

MY COMMISSION EXPIRES

10-29-2006

X Kathryn I Baker
SIGNATURE OF NOTARY PUBLIC



FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2004) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

EIA Water Department Balance Sheet As of December 31, 2004

| | Dec 31, 04 |
|--|---------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| Petty Cash | 100.00 |
| Provident Bank - General | 3,431.74 |
| Provident Bank - Maintenance | 7,837.69 |
| Total Checking/Savings | 11,369.43 |
| Accounts Receivable | 18,286.92 |
| Accounts Receivable | 18,286.92 |
| Total Accounts Receivable | 18,286.92 |
| Other Current Assets | |
| Plant Material Supplies | 2,363.44 |
| Total Other Current Assets | 2,363.44 |
| Total Current Assets | 32,019.79 |
| Fixed Assets | |
| Accumulated Depreciation | -808,081.00 |
| Automobiles and Trucks | 63,379.83 |
| Buildings and Improvements | 23,237.70 |
| Distribution Reservoirs | 455,634.00 |
| Laboratory Equip | 1,626.95 |
| Land | 4,800.00 |
| Meters | 53,557.79 |
| Office Furniture & Fixtures | |
| Original Cost | 290.87 |
| Office Furniture & Fixtures - Other | 3,629.00 |
| Total Office Furniture & Fixtures | 3,919.87 |
| Pump Station and Warehouse | 74,723.00 |
| Tools and Equipment | 2,723.00 |
| Transmission & Dist Main | 1,080,208.95 |
| Water Treatment | 16,016.00 |
| Total Fixed Assets | 971,746.09 |
| TOTAL ASSETS | 1,003,765.88 |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | 13,366.72 |
| Accounts Payable | 13,366.72 |
| Total Accounts Payable | 13,366.72 |

**EIA Water Department
Balance Sheet
As of December 31, 2004**

| | Dec 31, 04 |
|--|---------------------|
| Other Current Liabilities | |
| Customer Deposit | 4,870.00 |
| Payroll Liabilities | 3,290.90 |
| Sales Tax Payable | 2,041.15 |
| Total Other Current Liabilities | 10,202.05 |
| Total Current Liabilities | 23,568.77 |
| Long Term Liabilities | |
| Byrne, Benesch & Villarreal | 11,504.45 |
| GMAC - 2004 PICKUP | 29,786.20 |
| Robbins & Green | 276,234.74 |
| USDA Rural Development | |
| USDA Loan # 91-03 | 80,266.57 |
| USDA Loan #91-02 | 383,648.98 |
| Total USDA Rural Development | 463,915.55 |
| Total Long Term Liabilities | 781,420.94 |
| Total Liabilities | 804,989.71 |
| Equity | |
| Opening Bal Equity | 241,590.43 |
| Net Income | -42,814.26 |
| Total Equity | 198,776.17 |
| TOTAL LIABILITIES & EQUITY | 1,003,765.88 |